

EXHIBIT B

Attachments: SiJCP Amendment No. 5 (4.24).docx

From: Malhotra, Satish <Satish.Malhotra@sephora.com>
Sent: Sunday, April 26, 2020 4:19 PM
To: Rougeot, Jean-André; Soltau, Jill A
Cc: Wlazlo, Michelle
Subject: Re: Amendment to contract to reflect wind down draft

WARNING :This email originated outside of JCPenney.
DO NOT CLICK links or open attachments unless the actual email address, not just the display name, is the actual email address that you expect to see. Report any suspicious emails immediately via the Report Phishing button in Outlook, or forwarding to phishing@jcp.com<<mailto:phishing@jcp.com>>.

Please find attached the simple amendment that Jean Andre was referring to.

On 4/26/20, 1:12 PM, "Rougeot, Jean-André" <jeanandr@sephora.com> wrote:

As a follow up to my email, I asked our lawyers to draft a SIMPLE amendment to our current contract reflecting the key principles of our Wind Down agreement .

This just gives you a sense of what the legal version of blue print of my email looks like .

Key on Tuesday is to agree on the 4 basic principles and then the lawyers can finalize the amendment

Best

Jean andre

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AMENDMENT NO. 5
TO
AMENDED AND RESTATED JOINT ENTERPRISE OPERATING AGREEMENT
BY AND BETWEEN
SEPHORA USA, INC.
AND
J.C. PENNEY CORPORATION, INC.

This Amendment No. 5 (“Amendment 5”) is made and effective as of this 29th day of April, 2020 (the “Amendment Effective Date”) in order to modify certain of the terms of the Amended and Restated Joint Enterprise Operating Agreement dated March 30, 2009, as previously amended by Amendment No. 1 dated January 28, 2011, Amendment No. 2 dated April 29, 2015, Amendment No 3 dated October 13, 2015, and Amendment No. 4 dated September 13, 2016 (as amended, the “Agreement”) governing the terms and conditions of operating the SiJCP Beauty Business by and between by and between SEPHORA USA, INC. (“Sephora”) and J.C. PENNEY CORPORATION, INC. (“JCP” and JCP and Sephora together may be referred to as the “Parties”). Capitalized terms not otherwise defined herein shall have the meaning given such terms in the Agreement.

WHEREAS, in response to the coronavirus crisis and applicable federal, state and local social distancing guidelines and stay-at-home orders, both Parties have temporarily closed their respective retail stores, including, with respect to JCP, the Beauty Installations; and

WHEREAS, Sephora believes, and JCP disputes, that JCP has breached the Agreement in a number of ways, including (without limitation) the decision by JCP to “furlough” the Beauty Installation employees without pay commencing on March 31, 2020, which is inconsistent with the standards and practices of Sephora in responding to such crisis, and Sephora further believes that such “furlough” decision could substantially impair Sephora’s reputation and imperil the ability of SiJCP to recommence its business after the end of the crisis; and

WHEREAS, the Parties have met numerous times in connection with a variety of material matters relating to the operation of the SiJCP Beauty Business and the aforementioned disputes and now desire to so resolve their disagreements and modify the terms of the Agreement in order to, among other things, release each other from all exclusivity restrictions set forth in the Agreement and shorten the Term, all as set forth herein, which modifications are entered into in good faith and as the result of arm’s length negotiations.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Sephora and JCP agree as follows:

1. Mutual Waiver of Defaults. Each of Sephora and JCP hereby waives and releases any and all defaults and breaches of the Agreement by the other prior to the Amendment Effective Date. Among other things, and without limitation of the foregoing, Sephora hereby waives any breach of the Agreement by JCP in connection with the March 31, 2020 “furloughing” of SiJCP employees during the pendency of the coronavirus crisis.

2. Mutual Release of Exclusivity and Standstill. Sections 4.2(a), 4.2(b) and 9.5(h) of the Agreement are hereby deleted in their entirety.

3. Term. Section 1.2 of the Agreement is hereby amended in its entirety to read as follows:

“1.2 Term. The initial “Term” of this Agreement shall commence on the Effective Date of this Agreement and expire on May 31, 2021, unless earlier terminated as set forth in Section 9.”

4. Operating Committee; Wind-Down. In light of the Parties’ agreement to shorten the Term as set forth herein, the Parties desire to manage the SiJCP Beauty Business during the remainder of the Term in a manner that will minimize the financial losses of the Parties. In furtherance thereof and notwithstanding anything contained in the Agreement to the contrary, the Parties hereby agree that the Operating Committee shall hold regular meetings on a monthly basis (with notice for such regular meetings provided by each Party on a rotating basis fifteen (15) days in advance of each such meeting), and that, in addition to those duties described in Section 2.4 of the Agreement, the Operating Committee will be responsible for directing and overseeing all matters related to the wind-down of the SiJCP Beauty Business, including (for example) those related to personnel, staffing, marketing efforts and shrink and inventory management.

5. Final Accounting and Final Payments. The Parties hereby acknowledge and agree that Section 9.5(g) of the Agreement requires that a preliminary accounting of all payment obligations be conducted within ninety (90) calendar days after the effective date of the Termination. In addition to those payments described in Section 9.5(g) of the Agreement, the Parties hereby agree that JCP shall also pay to Sephora (within such ninety (90) calendar day period described in Section 9.5(g)) an amount equal to the amount of the 2017 Expansion Funding *less* the amounts previously recovered by Sephora through the special adjustment to the settlements otherwise required to be made pursuant to Section 5.1A(c) prior to the effective date of Termination (and any final accounting by the Parties pursuant to Section 9.5(g) shall also include the 2017 Expansion Funding as described herein).

6. Restatement of Representations and Warranties. Each of Sephora and JCP hereby restates and affirms as of the Amendment Effective Date its representations and warranties set forth in Section 6 of the Agreement.

7. Recitals. The Parties hereby acknowledge and agree that the recitals to this Amendment 5 are true and correct, shall be deemed an integral part hereof, and are incorporated into this Amendment 5.

8. No Other Changes. Apart from otherwise expressly set forth herein, the Agreement remains in full force and effect. For the avoidance of doubt, the disengagement provisions of Section 9.5 (Disengagement Requirements) of the Agreement (as modified by Section 5 hereto) shall remain applicable to and govern the disengagement of the Parties following a termination or expiration of the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Amendment 5 to be executed by their duly authorized representatives effective as of the Amendment Effective Date.

J.C. PENNEY CORPORATION, INC.

SEPHORA USA, INC.

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____